COMPTROLLER OF THE STATE.

COMPTROLLER'S OFFICE, ALEANY, Jan. 7, 1851. STR: I have the homor here with to transmit to the Legis
httre, the Annual Report, prepared by my predecessor it
effice, exhibiting the condition of the inances at the close
of the last fiscal year.
I am, very respectfully, your obedient serv't.
PH. C. FULLER, Comptroller.
To the Hon. The Speaker of the Assembly
STATE OF New YORK,
STATE OF New YORK,
The Comptroller in obe

To THE LEGISLATURE: The Controller, in obe-dience to chapter 350, laws of 1847, has the honor to submit to the Legislature the following Report, exhibiting the state of the Treasury and the con-dition of the funds, at the termination of the fiscal year which expired Sept. 30, 1850.

The several funds belonging to this State, an ac-sount of which is presented in this Report, are the Seneral Fund, the Canal Fund, the Literature Fand, the Common School Fund, the United States Deposit Fund, the Sinking Funds, estab-lished for the payment of the public debt, the Bank Fund, and certain Trust Funds, to which refer-

ence will be made.

GENERAL FUND. during the year, belonging to the General Fund, and transferred to 9,661 50 277 01 \$881,241 53 18,204 58 Amount transferred to the General Fund Sinking Fund, for interest on State Stock peld from said fund... Amount of warrants drawn on the Treasury, which remained unpaid on the Suh Sept. 1849..... 1.026 66

Surplus of Revenue on 30th Sept. 1850 854,521 25 tember, 1849, was \$113,279 22, from which it ap pears that the ordinary expenditures exceeded the receipts of the last year \$58,757 94.

148 73

It will be observed that there is due to the Gen It will be observed that there is due to the Gren-eral Fund Revenue, from the General Fund Sink-ing Fund, on account of advances made in 1846, a balance of \$54,506 24, which should be refunded immediately by transferring to the School Fund, as an investment of its capital, an equal amount of the Bank Fund Stock, owned by the Sinking

For this purpose it becomes necessary that the Legislature authorize the transfer to be made. It will furnish a safe investment of the capital of the School Fund, and the Comptroller concurs in the recommendation made by several of his predecesors, that a law be passed conferring the necessa-

ry authority.

The Comptroller continues to entertain the opinion expressed to the Legislature, at its last session, that the resources of the General Fund, as now constituted, will prove sufficient to provide for all the legitimate expenses of Government without a resort to further loans or increased tax ation. But it must not be disguised, that this opinion rests upon a belief that prudence will be observed in exercising the power of appropriation. A just and enlightened discrimination should be shown in authorizing new objects of expendi-

In addition to the surplus on hand, it is assumed in the estimate, herewith submitted, that the dinary revenue for the present fiscal year will be \$972,630 57.

The principal revenues of the general fund are derived from the State tax, the auction duties, and the contribution of \$100,000 per annum from the Canal tolls. The proceeds of the State tax may be materially increased by such a revision of the laws regulating taxation, as will insure a full and equitable valuation of the taxable property of and equitable valuation of the taxable property of the State. Further experience has served to con-firm the soundness and importance of the suggestions on this subject, communicated to the last Legislature in two reports from this office. (See Assembly Documents No. 8 and No. 132.) The present law is correct in the principle laid down for estimating the value of contract in the principle laid down for estimating the value of property; but some of its most important provisions are practically disregarded. All personal property, (with certain specified exceptions) is subject to taxation, yet it is notorious that a large amount of notorious that a large amount of personal capital, having no claims to exemption, escapes assessment. The law requires that all real estate (as well as personal,) should "be estimated by the assessors at its full value, as they would appraise the same in payment of a just debt due from a solthe same in payment of a just debt due from a solvent debtor. In the City of New York, and in some of the Counties, full effect is given to the law, by estimating the taxable property at its actual value. But in many Counties this plain and essential provision is utterly disregarded. A system of undervaluation has been adopted and carried out in practice from year to year, until it has grown into a custom too general to yield to the force. grown into a custom too general to yield to the force of statutory requirements. It is safe to assume, that in a majority of the Counties, the average valuation of real estate, as returned by the assessors, is less than one-half the actual cash or market value. In some localities, farms worth \$40 per acre, are assessed at \$12 or \$15 per acre. The Controller cannot but regard this departure from the legal rule as a dangerous abuse, subversive of public morality, destructive of that equality which should be preserved between individuals and Counties in the imposition of public burdens, and extremely prejudicial to the interests of the trea-

It is of the first importance, that a uniform principle of valuation should be enforced throughout the State. The justice and equity of this proposition, are so obvious as to command universal as-sent; and we cannot doubt that it will be cheer-fully acquiesced in by our citizens.

But while some counties reduce their assess-ments to less than half the true value, other counties are constrained to adopt the same usage as the only means of self-defense, until at length the assessors yield to local influences, and the force of precedent becomes stronger than the positive in-junctions of the law. The evil here adverted to junctions of the law. The evil here adverted to requires the early attention of the Legislature. The Comptroller would recommend that the entire law, regulating assessments and taxation, may be made the subject of careful review and revision. In addition to the usual oath of office, the assessors should be required, after completing their assessments, to make a further eath that all the taxable ments, to make a further oath that all the taxable property of the town has been estimated at its full value, according to their best judgment. The Comptroller would also suggest that some new provisions of law are needed to regulate the assessment of corporations. Much embarrassment has been experienced by assessors, and by this department, in consequence of the inapplicability of the Revised Statutes to new classes of corporations of recent origin and development. A comprehensive, equitable and well defined system for

the assessment of the capital of railroad plank-road, telegraph, and insurance corporations, is deemed indispensable.

It is thought proper to make these suggestions on the subject of assessments in this connection, because of their immediate bearing on the fature condition of the General Fund. It may safely be estimated that a full and uniform valuation of tax-able property throughout the State, would increase the proceeds of the half mill tax from \$100,000 to

the proceeds of the hi the proceeds of the half mill tax from \$100,000 to \$150,000 per annum.

In estimating the ability of the general fund to meet new appropriations, the Comptroller has not lost sight of certain resources saide from the estimate of current receipts from cedinary sources herewith submitted) which will be realized within the next two years. The sale of tax lands made in 1848, included the unpaid taxes to the year 1844 inclusive. There is still due to the Treasury for unpaid taxes on non-resident lands, returned for the years 1845, 1846, 1847 and 1848, the sum of \$157,135, beside interest thereon, amounting to about \$40,000. The two years allowed for redeeming the lots sold in 1848 having expired, it will be the duty of the Comptroller to prepare for the sale of these lands as early as practicable. It is intended to hold the sale early

in 1852, when the amount above stated will be re-alized. There is also due to the Treasury for ad-vances on account of the tax of 1849, on non-resident lands, a further sum, amounting to \$55,319. These lands, under the act of 1850, providing for the sale of lands for unpaid taxes in the counties where they were assessed, must be sold by the County Treasurers on the first Tuesday of December 1879 when the smount due on them will be ber, 1852, when the amount due on them will be restored to the Treasury.

At the tax sale of 1848, the Comptroller served from sale certain lands on the Buffalo, Cattaraugus and Allegany Reservations, by reason of legal proceedings commenced by preemption own ars to contest the validity of the tax. The amount due the Treasury for advances on the lands thus reserved, which must be realized either from a sale of the lands, or a call upon the counties, is computed at \$91,000. The Comptroller had hoped for an early decision of this important question; but the hearing her hear delayed and the case is but the hearing has been delayed, and the case is still pending before the Supreme Court. The Attorney-General is making praiseworthy effort to expedite the proceedings, and a decision will doubtless be obtained before advertising for the

tax sale of 1852. At the sale of 1848, the Comptroller, for want of bidders, bought in for the State certain lands at the amount of the taxes thereon, being \$30,025 94. There remains unredeemed \$26,000 78, besides interest, and it is assumed that \$25,000 will be realized from the redemption or resale of these

lands. Inds.

In the last annual report from this office, the Comptroller called the attention of the Legislature to the accounts between the State Treasury and the City of New-York. The books of this department exhibited a balance against the City Treasury of \$113,716 21, consisting chiefly of cer tain taxes on mutual insurance companies return ed to the Comptroller by the Chamberlain of the city in the years 1845, 1846, 1847 and 1848, and this balance was increased to \$132,307 95, by similar returns of taxes for the year 1849. Doubts were entertained as to the legal liability of mutual insurance companies to taxation on their accu-mulated funds, and for this reason my predecessors refused to credit these returns.

The last Legislature, (chap. 186, Laws of 1850) provided for an equitable settlement of the accounts between the State Treasury and the City and County of New-York. A proceeding was then pending between the Sun Mutual Insurance Company and the City Corporation, involving the validity of the tax, and a decision had been given by a single judge adverse to the City. The case was subsequently carried before the Supreme Court, and fully argued at the last May term, when the and fully argued at the last May term, when the previous decision was reversed, and the legal liability of this class of corporations to taxation on their investments of capital was affirmed by the Court. Regarding the judicial decision as of binding authority, the Comptroller has deemed it his duty to admit the returns and place the amounts to the gradit of the City. Treasury, in pursuance to the credit of the City Treasury, in pursuance of section 20, title 4, chapter 13, part 1, Revised Statutes. A final and satisfactory settlement has been effected with the Comptroller and Chamber-lain of the City since the close of the fiscal year. Certain returns conceived to be irregular and un-authorized, and amounting to \$26,070 57, were rejected by the Comptroller, and that amount has rejected by the Comptroller, and that amount has been paid into the State Treasury by the City Characterian. The returns admitted by the Comptroller have been placed in the hands of the Attorney-General, who will proceed to recover the taxes in the manner prescribed by law, unless such proceedings should be rendered unnecessary by voluntary payments. The balance due on these returns is \$106,237 38. Several of the corporations have failed since the imposition of the tax, but a majority of them are represented as prosperous, and it is estimated that at least \$60.000 will be realized. 0.000 will be realized.

The Comptroller is of opinion that, in addition to the current or accruing revenues anticipated in the regular estimates, the General Fund will realise m the resources and balances above referred to, in the years 1851 and 1852, at least \$350,000, and probably over \$400,000.

If the Legislature should deem it expedient to make appropriations for new objects of utility and beneficence, the time and amount of such expendibeneficence, the time and amount of such extures should be adjusted with reference to anticipated means, so as not to trench upon the arrent revenues required for the ordinary support of government.

For a detailed exhibit of the receipts and payments on account of the general fund and the other funds during the last year, reference is made to the statements hereto annexed, marked A and B.

STATE OF THE TREASURY. . 2,535,354 30 \$3,007,079 87 Amount of warrants drawn on the Treasury, remaining unpaid on the 36th Sept. 1849..... Less amount of warrants drawn on the Treasury, remaining unpaid on the 30th Sept. 1850......

Balance in the Treasury on the 30th Sept. 1850, \$308,932 25
Statement of balance due from and to the Treasury on the
S0th September, 1850,
To the School Fund:
Capital...\$152,179 55
Revenue...\$157,524 07 To the Literature Fund : To the U. S. Deposit Fund: 45,293 91 10,494 26 144,223 79 Auburn and Rochester, \$1.145 78
Tonawanda 6,703 85
Leng Island 4,150 48
Tloga Coal, &c..... 211 10 To the General Fund Revenue.... From the General Fund Debt Sink-

From the U.s. Deposits and Serishire time.

From the Hudson and Berishire Railroad Company Sinking Fund 1,247 23

From the Treasurer for balance in the Treasury 508,932 25 Estimated Revenue, applicable to the ordinary expenses of Government for the fixed year, commencing on the 1st of Auction duty
Sait duty, after deducting the expenses of the
Onondaga Sait Springs.
Arrears of County taxes, and Interest.
Pedlers' Ilcenses.
Taxes on foreign Insurance Companies. axes of loveging in a second of the Secretary's office. 1,500 lees of the Comptroller's office. 160 lees of the Clerk's office of the Court of Appeals 1,600 lees of the Clerk's office of the Court of Appeals 1,000 lees of the

Fees of the Clerk's office of the Court of Appeals 1,000 00 Sales of lands. 1,000 00 Toffs on Cayaga Lake Iniet 100 00 City and County of New-York, on settlement of account for State tax 26,670 57

Total S572,830 57

Estimate of the ordinary expenses of Government, for the Ascal year, commencing 1st October, 1830.

Salaries of the Government, including clerk hire. \$45,000 00 Salaries of the Judges of the Court of Appeals, and the Judges of the Supreme Court. 96,000 00 Salary of the Clerk of the Court of Appeals, and clerk hire. 5,000 00 Legislature, compensation of members and officers. 75,000 00 tingent expenses of the Legislature and the Contingent expenses of the Legislature and the public offers.

20,000 of Expenses of the Capitol.

Expenses of the State Hall.

Expenses of the State Hall.

Expenses of the State Cabinet of Natural History, 1,050 of Expenses of the State Library

Expenses of the State Library enses of the State Prisons, excusive of erec-Expenses of the State Prisons, excusive of erections, improvements, &c.

Commissary's Department.

Printing for the Legislature.

Miscellancous printing and engraving.

Deaf and Dumb.

Blind.

Hospital, New York.

Foreign Poor, New York.

Orphan Asylum, Prince-st. New York.

Orphan Asylum, Prince-st. New York.

Orphan Asylum, Prince-st. New York.

Orphan Asylum.

House of Refuge, Western New York.

Society for the Reformation of Juvenile Delinquents, New York.

New York Dispensaries.

Brooklyn Gity Dispensary.

Dispensary councied with the Albany Hospital.

Colored Orphan Asylum, New York.

Agricultural Societies.

Ostage of official letters, &c.

Lent and taxes of the bouse occupied by the Governor.

gent and taxes of the house occupied by the Governor.

Apprehensions of fugilities from justice.

Committee to examine the accounts of the Treasurer, and the Canal Banking Departments..

Contingent expenses of the Court of Appeals and
the Supreme Court.

Costs of suits, fees, &c.

Transportation of the journals and documents of
the Legislature, &c.

Incidental expenses of the Regents of the Uni-2,000 00 ital expenses of Government, apprehension of criminals.... terest on loan for purchase of Albany Basin. .8602,443 27

The foregoing estimate includes \$50,000 for the upport of the Sing Sing and Clinton State Prisons. An early appropriation is needed for this object, as the prison appropriations have been made with reference to the calendar year, and the amount appropriated by the last Legislature is In addition to the above estimates, several

new appropriations are required for the current fiscal year. The orders of the last Legislature caused a large increase in the printing expendi-ture, and the amount appropriated for its payment was inadequate. The appropriation for the pres-ent fiscal year (being \$60,000), is already ex-hausted. During the year there has been paid from the ordinary printing appropriation is \$25,000 for engravings and illustrations. be necessary to appropriate \$30,000 more without delay, for the purpose of paying the cost of the Documentary History, &c. ordered at the last session. The ordinary printing expenses have been considerably increased by the cost of maps. engravings and colorings, intended to illustrate Indian antiquities and revolutionary incidents.

The appropriation for the expense of transportng books and documents to County Treasurers, Clerks, and to Members of the Legislature, is ex-Clerks, and to Members of the Legislature, is ex-hausted, and it is estimated that \$5,435 37 more will be required to convey the books ordered at the last session. This large increase of expendi-ture is caused by the unusual number of books distributed by order of the Legislature. An im-portant savingmight be effected if the persons entled to these publications would receive them

The expenses of the Western House of Refuge The expenses of the western roose of Reb. have been largely increased by the act of Feb. 26, 1850, requiring all juvenile delinquents convicted in the 4th, 5th, 6th, 7th and 8th Judicial Districts, to be confined in that institution. No additional appropriation was made with reference to this increase, and it was found necessary to to this increase, and it was found necessary to apply \$6,000 of the fund intended for building purposes, to the ordinary support of the institution during the last fiscal year. In order to restore this amount to the Building Committee, and to defray the ordinary expenses of the establishment till the close of the present fiscal year, a further appropriation of \$12,000 is needed. From a personal expension, and its a personal examination of the institution and its management, the Comptroller is satisfied that its expenditures have been regulated with great skill

and economy.

The appropriation for paying the costs of suits, is also exhausted. This expenditure has been much increased by the fees of counsel employed

in the Manor suits and the State Prison controversy. A further appropriation of \$5,000 will probably be needed for the present fiscal year.

An estimate of additional appropriations required for the expenses of Government, during the remainder of the fiscal year, is annexed hereto, (marked C.) (marked C.) THE CANAL FUND.

It will be seen that the canals of this State contime to justify the anticipations so frequently expressed by the advocates of a liberal system of public improvement. The greas revenue of the canals during the last fiscal year, incrusing interest on deposits and rents of surplus water, was \$5,486,172 50, being an increase over the receipts of the preceding year of \$43,295 68. (See state-The amount received for canal tolls during the

last season of navigation, as far as yet ascertained, was \$3,576,903, being an increase of \$8,677 upon the tolls of 1849. It is proper to state that the receipts for the fiscal year ending September 30, 1850, fall below the estimate of the Commissioners of the Canal

Fund at the commencement of the year, \$55,827 70.

A considerable reduction of tolls on some lead. ing articles of tunnage was made by the Canal Board before the opening of navigation. It is be-lieved that these reductions produced a considera-ble increase in the Canal trade, without any diminution of the aggregate revenue. An interesting question arises, how far the policy of reduction can be carried without impairing the revenue? In considering this subject, the vast importance of insuring the completion of the enlargement of the Eric Canal should be kept constantly in view.— As a limited proportion only of the surplus revenues can be applied to this work, under the provisions of the Constitution, a policy should be pursued which will place the revenues at the highest attainable point of productiveness.

It was foreseen at an early day that the enlargement would be necessary to maintain a successful competition with rival routes, for the Western trade. The experience of the last year tends to confirm this opinion. A considerable diversion of business has been caused already by opening new channels of intercourse. The revenues of the Erie Canal will be exposed to serious diminution, by a to other routes, until the cost of transportation shall have been materially reduced, by the completion of the enlargement. Yet it is believed that under no state of things likely to occur will the income of our entire system of Canals fall below the receipts of the last fiscal year. During the first months of navigation, the last season, the Canal trade was impaired by the short crop of

the Canal trade was impaired by the short crop of 1849 in the Western States.

After deducting from the gross revenues of the last fiscal year, the sum of \$644,762, for the expenses of collection, superintendence and repairs, and \$191,203 % for new locks, &c. on the Oswego and other lateral canals, there remains a net income of \$2,650,206 42. Of this sum \$1,850,000 has been carried to the Sinking Funds and the General Fund, in compliance with the constitutional requirements, leaving \$500,206 42 applicable to the appropriations made by the last Legislature for the completion of the Genesee Valley and Black River Canals, and the Eric Canal Enlargement.

Adopting the last year as a criterion, the present value of the canals is equal to a capital of \$44,170,108, invested at six per cent interest. The average net income for the last five years, \$2,518,044 87, which is equal to a capital of \$41, 967,414 50 at six per cent interest.

The entire cost of all the canals, including the expenditure on the Eric enlargement, the Genesee Valley, and Black River Canals, to 30th Sep tember last was \$35,115, 237 75, as exhibited by accompanying statements, (marked E. I.)

THEISTATE DEBT AND THE SINKING FUNDS. The entire amount of the State debt on the 30th of September, 1850, was \$22,530,802 48, exclusive of the contingent debt, (loans to railroad companies, &c.) amounting to \$233,036 16. (See statements marked E. 2, and E. 3.)

GENERAL FUND STATE DEBT. The amount of the General Fund State Debt on the 30th of September, 1850, was \$6,359,693 32. The amount required to pay the annual interest

on this debt is \$353,071 37,

The amount set apart from the canal revenues, as a sinking fund, to pay the interest and redeem the principal of this debt is \$350,000 per annum, until the canal debt shall have been extinguished, when the General Debt Sinking Fund will receive

\$1,500,000 per annum, until the entire debt shall be discharged. The present sinking fund appropriation is insufficient by \$3,071 37 to meet the payments of annual interest; and this deficiency is provided for from the surplus of the sinking fund, which amounted to \$12,247 08, at the com mencement of the present fiscal year. Of the General Fund Debt, \$1,271,384 93 con-

Of the General Fund Debt, \$1.37,534.33 consists of Comptroller's bonds, bearing 6 per centinterest, which are held by the State as investments of the capital of the Literature, Common School, and United States Deposit Funds.

Although these bonds are payable on demand, (except \$385,000, payable in 1866), it will be observed that the principal cannot be extinguished until after the final discharge of the canal debt, in 1865. In the present state of the money market.

In the present state of the money market, means might readily be obtained to discharge this portion of the debt, by a new issue of Comptroller's bonds, bearing 5 per cent interest, which would result in a saving to the General Sinking would result in a saving to the Fund of \$12,713 84 per annum.

A further saving of about \$100,000, in premiums, might be effected by issuing a State stock for the amount, payable after 1865, when the means appropriated by the Constitution will become available for the extinction of the debt. Although the Comptroller possesses sufficient au-thority, under existing laws, to change the form of this part of the public debt in the manner in-dicated, he has deemed it his duty to refrain from exercising it until the subject should have been distinctly presented to the consideration of the Legislature.

He has paid several private creditors of the State, who held Comptroller's bonds, bearing six per cent, by an issue of new bonds bearing five

per cent, and has thereby reduced to a small ex-

tent the annual charge.

The question is, whether the sinking fund shall pay six per cent to the school fund and other specific funds, when the money can be obtained from other sources at five per cent, or even a less rate of interest? If the Comptroller's bonds were held by individual lenders, there would be no except of heart to held by the state of th held by individual lenders, there would be he ground of hesitation. As they are held by the State, as part of the capital of the specific funds, their payment involves the investment of a similar amount in bonds and mortgages or other securi-ities for the benefit of those funds. It is believed that the money might be safely loaned through the agency of the Commissioners of the United the agency of the Commissioners of States Deposit Fund, on mortgage security at seven per cent interest. Loans of this character are subject to some contingencies which must be taken into consideration. The mortgage investment of the control of t ments of the United States Deposit Fund, paying expenses and all losses of principal from accruing interest, have yielded a net income over six and one-quarter per cent per annum, for the entire period from 1837 to 1850. The debt of \$30,000, created for the erection of

a new State arsenal in the city of New York, has been discharged from the proceeds of the sale of the old arsenal grounds.

THE CANAL DEBT.

The amount of the canal debt chargeable upon the Sinking Fund created by section 1, article 7, of the constitution, was, on the 30th September,

ee statement marked E, 1.) \$16,171,100 15 The canal debt was reduced during the last fis-(See statement marked E, 1.) cal year by the payment of \$435,000 of stock, which fell due on the 1st August, 1850. It was inwhich fall due on the transport Albany basin loan creased by the five per cent. Albany basin loan above referred to, \$192,585 49 (which yielded \$203,415 36, being a premium of about five and a half per cent) making the actual reduction of the

debt \$243,404 51.

The act directing the loan for the purchase of The act directing the loan for the purchase of the Albany Basin, requires that the interest shall be advanced from the General Fund until the Canal Debt shall have been extinguished by the Sinking Fund created by the Constitution, when the amount is to be refunded to the General Fund from the Canal Revenues. It becomes necessary for the Legislature to ap-

propriate \$9,639 27 per annum for the payment of interest on this loan. GENERAL FUND DEBT SINKING FUND. is fund belongs six per cent stock, issued account of the Bank Fund, resteemable in And there is due to the Treasury for advances to meet the demands upon this fund...,.... 54,506 24

Amount of the fund on the Soth Sept. 1850..... \$12,247 08 ..\$104,178 16

\$162,416 20

Ralance due the Treasury 36th Sept. 1850, (see 884,506 24 CANAL DEBT SINKING FUND.

Received, viz:
Balance on hand 30th Sept. 1849

Transferred from the revenues of the State canals under article 1, 21, of the Constitution.

1,300,000 00

Transferred premiums on loans, under chap.
370, 21, Laws of 1850.

Transferred the unexpended balance of loan, to pay debts due prior to the lat July, 1846, under chap. 376, 22, Laws of 1850.

42,569 93

7* of 1849. \$74,948 00 5* of 1849. 15,114 00 5* of 1859. 992,724 64 Accrued interest. 1,836 34 451,422 95

84,715 50

Total. \$1,750,357 70

The above balance is applicable as follows, viz to red em 5 s of 1857, outstanding. \$150 et 600 et Total outstanding, paying so interest ... For the liscal year 1859-51.....

\$336,825 20 LITERATURE FUND-CAPITAL. This fund consists of the following items, viz:

State Stock:
Certificate No. 3,957, loan under the
act of 13th May, 1886, redeemable
1st July, 1864, 6 percet. \$100,000 co
Certificate No. 69, Black River Canal Loan, redeemable 1st January, 3,600 00

Comptroller's Bonds, viz: omptroller's Bond, No. 2, issued per chap. 225 Laws of 1849, redeemable 1st July, 1866, 6 per cent.

Bank Fund Stock:

Certificate No.1338, Issued on account of the
Bank Fund, redeemable 1st February, 1838, 6 Insurance Stock:
100 shares in the Albany Insurance Company, Bank Stock:

Dalk Stock: 23 shares in the Canal Bank, Albany, \$20, each Money in the Treasury.... Total.... REVENUE.

Balance of revenue in the Treasury on the 30th

erature Fund was increased during the last fiscal year the sum of 86,913 34. This increase was produced by a sale of 860 shares of stock in the Merchants' Bank, New York—the par value being \$43,000, while the price actually realized was \$49,913 34. The sale was made by and with the advice of the Governor, given in pursuance of sec-tion 13, title 8, chapter 8, part 1, Revised Statutes. The premium obtained on the stock formed a sur ent inducement, but there were other considerations which, in the estimation of the Comptroller, made it his duty to change the investment of this

portion of the capital of the Literature Fund Although the Merchants' Bank is one of the soundest and best managed institutions in the State, its charter will expire in 1857, when a reinvestment will become unavoidable.

A serious question had been raised how far the State was liable to be affected by the law subjecting shareholders to personal reappossibility.

State was liable to be anecodal responsibility. Ex-ing shareholders to personal responsibility. Exng scarenoiders to personal repation stocks are erience has shown that corporation stocks are not always a safe investment of the public funds. Six thousand dollars of the Literature Fund is in vested in the Albany Insurance Company, of whose capital two-thirds has been destroyed by series of losses. Four hundred and sixty dollars is invested in stock of the Canal Bank, Albany, which is a total loss. The depreciation of the capital of the fund resulting from these investments will be made good by the premium obtained on the Merchants Bank stock. The proceeds of the sale referred to have been invested in Bank. Fund stock, bearing 6 per cent interest, redeem able in 1856.

COMMON SCHOOL FUND-CAPITAL This fund consists of the following items, viz:
lends for Lands. 8710.975 40
londs for Loans 196,289 02
londs for Loans 196,289 02
loan of 1982. 17.982 86
loan of 1880. 21.757 31
loan of 1840. 41,335 00

State Stock: ertificates Nos. 29 and 40, Astor stock, redeemable at pleasure, 5 per stock, redeemable at pleasure, 5 per 20,000 00 1,445 05 ertificate No. 1, State stock, issued Perdicate No. 1, Sans of 1847, redeem-per chap, 438, laws of 1847, redeem-able 1st January, 1855, 5 per cent. 150,000 00 213,200 95 Comptroller's bands: mount of bonds issued for loans to Treasury, payable on demand, 6 Treasury, payable on demand, 6 per cept. \$351,645 49 Amount of bonds, Nos. 3, 4, 6, 8, is sued per chapter 22h laws of 1849, redeemable in 1886, 6 per cent. \$29,300 00 Balance due on bonds, issued to the College of Physicians and Surgeons, New-York, the payment of which has been assumed by the trustees of Union College, 6 pr cent. 13,036 10 Bank stock:
One thousand shares in the Manhattan Company, at \$50 each 50,000 00 not in the Treasury. 152,179 53 See statement C for the increase and diminution of the capital of this fund. Balance in the Treasury on the 36th September, Amount received into the Treasury during the year ending 30m of Sept, 1850. (See Statement A). 288,900 78

Amount transferred from the General Fund Revenue for interest on money in the Treasury, during the year, per chapter, 382 laws of 1849. 12,701 32

Amount of revenue in T easily 30th Sept. 1850..\$137,524 07 The revenue of this fund is estimated for the current year, viz:

463,554 13

325,493 46

Interest on loan of 1840 . 1,000 oc Interest on loan of 1840 . 83,500 of Interest on State stock in Comptroller's bonds . 83,500 of Interest on money in the treasury . 13,000 oc Dividends on bank stock . 4,000 of

Estimated payment for the same pe-

The capital of the Common School Fund has advanced from \$2,243,563 36, on the 30th of September, 1849, to \$2,290,673 23, on the 30th September, 1850, being an increase of \$47,109 87, during the last fiscal year. (See statement F.) The revenue of the fund, during the same period, (including the annual contribution of \$165,000, from the Deposit Fund) was \$300,792 10, being an increase of revenue, as compared with the preceding year, of \$15,888 34. After paying all charges on the revenue, a balance remained in

preceding year, of \$15,888 34. After paying all charges on the revenue, a balance remained in the treasury on the 30th of September last, of \$162,762 03. It is estimated that the revenues of the present fiscal year will be \$296,350.

The Comptroller deems it safe to recommend that the annual dividend from the revenues of this fund for the support of Common Schools, be increased from \$285,000 to \$300,000. After making ample allowance, for contingencies, it is believed the present condition of the fund will justify the proposed increase; and the yearly addition of proposed increase; and the yearly addition of \$25,000 to the capital, from the income of the Deposit Fund, will gradually produce the means for enlarging still further the amount of the annual distribution.

The Loan Commissioners have proceeded, with commendable diligence and fidelity, in executing the act passed April 10, 1850, requiring these loans to be closed by transferring the mortgages, under certain conditions, to the Commissioners of the United States Deposit Fund. On the 30th of September there was still outstanding, on the loan of 1792, \$17,982 86, and on the loan of 1808, \$21,757 81. These amounts have been considerably reduced since that day. But it is sacertained that some losses will be sustained from failures of title, insufficiency of security, and delinquencies of Commissioners in former years.

Every effort has been made to secure the

amounts thus placed in jeopardy. For a portion of the deficiency, the counties are liable to the State, under the original acts and the subsequent

provisions embodied in the Revised Statutes.

It is for the Legislature to determine to what extent this liability shall be carried. The loss to the capital of the Common School Fund, when definitely ascertained, should be restored from the accumulation of revenue now in the Treasury.—
After the passage of the act of April 10, 1850, instructions were issued to the Loan Commissioners, from this office, of which a copy is hereto an-

UNITED STATES DEPOSIT FUND The capital of this fund is believed to be in a sound and healthful condition. The original investment of principal being \$4,014,520 71, has been to the capital by the transfer of an equal amount from the current revenue.

It was shown in the last annual report from this office, that the appropriations made by the Legislature, including special grants to literary institutions, exceeded the revenue by \$23,683 53. This deficiency has been reduced to \$8,913 64 at the close of the last fiscal year. It is estimated that the revenues of the present fiscal year, after pay-ing all existing appropriations, including the ordinary distribution to common schools and acade-mics—\$10,000 for the Normal school, and \$3,000 to academies for instruction of common school teachers, will leave a surplus of \$11,446 36 at the disposal of the Legislature.

It is hoped that the income of the fund for the current year may be increased beyond the esti-mates, by the efforts of the commissioners to dis-pose of the remaining lands bought in for the State on foreclosure of mortgages. A circular was is-sued from this office in Marchilast, (of which a copy is hereto annexed, marked H,) urging the commissioners to effect sales of these lands as speedily as practicable, and to take proper steps for the recovery of the deficiencies due the State on account of this fund. Express authority should be given to the Comptroller to compromise and settle with insolvent or embarrassed debtors for palances remaining due to the Deposit Fund after

a sale of the mortgaged property.
UNITED STATES DEPOSIT FUND-CAPITAL. (See Statement I.)

This fund consists of the following items, viz:
Loans on mortgages in the several counties...\$3,490,887 36
State stock, redeemable 1st January, 1255, 5 per cent.... State stock, redeemable 1st July, 1860, 6 per cent Comptroller's bonds, payable on demand, at 6 334,739 44 45,293 91

Amount received into the treasury du-ring the year ending 30th Sept. 1650, (see Statement A. \$269,141.68 fund revenue for interest on treasu-ry deposits. 4,830 36 Amount transferred from the capital for payment into the treasury, erro-neously applied as principal. 18 33

Total\$7,500 00 Which shows an excess of appropriations by the Legislature, from the income of the United States F and for the last fiscal year, of \$16,413 54.

The revenue of this fund is estimated for the The revenue of this fund is estimated for the current year, as follows:
Interest on the amount loaned on mortgage in the Counties. \$218,000 00 Interest on State stock 7,191 00 Interest on Comptroller's bonds. 20,084 00 Interest on money in the Treasury, to be invested 1,585 00 Sales of lands. 10,000 00 Total 8250,360 00 Estimated payments during the same period, viz:

For diminution in the loans under foreclosure of morigage Total..... Foreclowers of Mortgages in the several Counties by the Commissioners of the United States Deposit Fund. The following is a list of mortgages under foreclosure, of which the premises were bid in for the State, and remained unsold by the Commissioners of the Land Office, on the 30th September, 1850; Principal (no et al. 200 and 1 Suffolk.....Suffolk.... Wyoming THE BANK FUND.

Academies for instruction of common school

THE BANK FUND.

During the last fiscal year the Comptroller redeemed \$135,850 of the Bank Fund Stock from the means on hand belonging to the fund. Of this amount, \$35,850 was received in pursuance of chapter 332, laws of 1830. The State Stock held on account of this fund, bearing 5 per cent. interest, was sold, and the proceeds applied in redeeming six per cent. Bank Fund stock, by which a gain was produced to the fund of \$1,806 for premdums and discount, beside an annual saving of \$350 from the difference of interest.

from the difference of interest.

The Comptroller has issued Bank Fund stock to the Commissioners of the Canal Fund for the bal-ance due from the Watervliet Bank to the Canal Fund, amounting on the 23d of September last, to \$72,059 31. Including this sum, the amount of Bank Fund stock outstanding on the 30th September, was \$715,995 33. Since the closing of the fiscal year, stock to the amount of \$5,424 78 has been issued to the remaining creditors of the Wa-tervliet Bank, which is believed to include all outtervilet Bank, which is believed to include all out-standing demands against that bank. A large claim was held by the receiver of the Canal Bank of Albany, but doubts were entertained as to its validity, and the question was submitted, by mu-tual consent to William L. Marcy, as sole referce. After a patient and laborious investigation, he rejected the principal item, amounting to over \$30, 000, and decided that the actual balance due from the Watervliet Bank to the Canal Bank is only \$2,276 50, for which sum stock has been issued to the receiver.

the receiver.

Assuming that the Banks continue to pay their annual contributions of \(\frac{1}{2}\) per cent. on their capital until the expiration of their respective charters, the amount to be realized from this source is \$994,225 60, which will be sufficient, with judicious management, to discharge both principal and inter-eat of alloutstanding claims against the Bank Fund. In addition to these contributions, there remains a mass of miscellaneous assets of the City Bank of Buffalo, the Commercial Bank of Buffalo and the Watervliet Bank. The amount to be realized from these deplora-

ble concerns depends, in some degree, upon the result of certain litigations still pending. It is believed, however, that with proper diligence, about \$50,000 may be recovered from the assets referred to. The Comptroller has made every practicable effort to secure some returns from them, and with some effect, but he regrets to say that his sucess has not been commensurate with his endeavors.

ce the close of the fiscal year, a final settlement has been made with the Receiver of the Commercial Bank of Oswego, and the balance in his hands being \$1,644 33, has been paid into the

An important question has been raised in rela-tion to the liability of the banks to pay the annual contribution of j per cent on their capital for the last year of their duration. The Comptroller and his predecessors have entertained no doubt on this point, and the payment has been made by all expiring banks, without dispute, until the Bank of Utica and the Bank of Monroe contested the validity of the claim. The charters of these banks continued in force "until the first day of January, 1850." The Safety Fund act and the act of April
12,1842, require every moneyed corporation subject
to the act to contribute one half of one per cent on
its capital "on or before the first day of January
in each year." in each year.'

In each year. The ground assumed by the trustees of the banks referred to is, that as their charters actually expired with the year 1849, they were not liable to make the contribution, payable "on or before," the first day of January, 1859. Some other banks, which made the last payment voluntarily, now claim to have the money refunded, on the princiclaim to have the money refunded, on the princi-ple that it was paid under a misapprehension of

the law. The question is an important one in its bearing upon the ultimate sufficiency of the bank fund. If the remaining Safety Fund banks, including the Bank of Utica and the Bank of Monroe, shall escape the payment of the contribution for the last year of their chartered term, the loss to the capi-tal of the bank fund will be \$132,742 30, and to that extent impair the security of the creditors. It is feared that so large a reduction might render the fund insufficient to provide for the payment of the stock falling due in 1866.

The Comptroller has considered it his duty to place the claims against the Bank of Utica and the Bank of Monroe in the hands of the Attorney General, and by mutual consent, the question will be presented to the Supreme Court for decision as

with a view to protect the creditors of the bank fund, and to guard against future controversies, Comptroller would recommend the passage of a law requiring the banks to pay their contributions on or before the last day of December in each year.

BANK FUND. Balance of six per cent. stock issued, per chap-114, laws of 1845, on account of the Bank Fund, outstanding on the 30th Sept. 1850, and redeem-able as follows:

Debt of the Fund on the 30th Sept. 1850...... \$656,454 79 To the above is to be added the stock subsequently issued to the creditors of the Watervilet Bank, amounting to \$5,424 78.

The contributions to this Fund, by the several banks, are pledged for the payment of the interest and principal of the above stock. The following statement shows the amount annually payable on or before the 1st of January, up to the time of the expiration of all the charter size. expiration of all the charters, viz :

The following is a statement of the amount that has been charged upon the Bank Fund for the redemption of bills and payment of debts of the several insolvent Safety Fund Banks:

Bank of Buffalo ... \$435,540 c0
City Bank of Buffalo ... \$435,540 c0
City Bank of Buffalo ... \$435,540 c0
City Bank of Buffalo ... \$435,540 c0
Com. Bank of Buffalo ... \$435,540 c0
Com. Bank of Buffalo ... \$435,640 c0
Com. Bank of N. Y. ... \$39,837 c0
Com. Bank of N. Y. ... \$39,837 c0
Wayne Co. Bank ... \$113,131 c0
Com. Bk of Oswego \$185,162 c0
Com. Bk of Oswego \$185,162 c0
Com. Bk of Lyons ... \$22,884 c0
Watervilet Bank ... \$123,266 16
City Com. Co. Bank ... \$123,266 16
City Co

Total.....\$1,503,740 64 \$1,082,684 53 \$2,586,425 07 MARINER'S FUND. This fund consists of the following items, viz;
Mortgage of the American Sear an's Friend
Society, (without interest).

Money in the Treasury.

Money in the Treasury paid under protost.

144,082 \$8

Total. \$154,225 %
The Comptroller would ask the attention of the Legislature to the suggestions contained in his last annual report, in relation to the moneys paid into the Treasury, under protest for the passenger tax.